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SUBJECT: ZIM NOTES 07-02-2009

1. SUMMARY

Topics of the week:

- MDC Boycotts Cabinet...
- Makoni Launches Opposition Party...
- Chiadzwa Abuses Exposed...
- ...As KP Visit Begins...
- Bennett Trial Set for October...
- No UZ Grads in 2009?
- The End of School Fees?
- Senator Offers \$30 Child Support...
- MP Mudiwa Sentenced to Seven Years...
- Expand VOA? Not Yet...
- Biti to Present Mid-term Fiscal Review...
- Crops Shortfalls Projected...
- Recovery Threatened by High Wage Demands...
- Wheat Farmers Allocated Electricity...
- Olivine Receives Soya from China...
- Government Secures US\$60 Million For Tobacco...

On the Political/Social Front

1.2. MDC Boycotts Cabinet... MDC Ministers staged a boycott of this week's Cabinet meeting after ZANU-PF leaders moved it up a day from Tuesday to Monday. According to Deputy Prime Minister Thokozani Khupe, the change was made to prevent Prime Minister Tsvangirai, who had not yet returned to Zimbabwe, from chairing Cabinet on Tuesday while President Mugabe was attending the AU Summit in Libya. Khupe seized on the issue to issue a strongly-worded statement criticizing ZANU-PF's refusal to finalize long outstanding issues, unilateral decision making, continued manipulation of the media, and overall disrespect for the MDC. In a noted departure from Tsvangirai's repeated assurances that the MDC-T would stick it out, Khupe reserved her party's right to disengage from the government. Upon his return, Tsvangirai issued his own statement endorsing Khupe's

statement, criticizing obstructionists in government, and calling for resolution of Global Political Agreement outstanding issues.

¶3. Makoni Launches Opposition Party... Former ZANU-PF finance minister and 2008 independent presidential candidate, Simba Makoni, launched his opposition party Mavambo Kusile Dawn (MKD) on June 30 in Harare. The event drew several hundred people consisting primarily of university students. Makoni justified the formation of another political party in Zimbabwe as an opportunity to "open up more political space in Zimbabwe." Makoni criticized the performance of the inclusive government thus far, and referred to the MDC as part of the ruling party. The MKD got off to a rocky start last month when several senior officials of the then "movement" left the MKD after accusing Makoni of abuse of election funds and donated vehicles.

¶4. Chiadzwa Abuses Exposed... Human Rights Watch published a damning report, "Diamonds in the Rough: Human Rights Abuses in the Marange Diamond Fields of Zimbabwe," detailing smuggling and human rights abuses perpetrated by the Zimbabwean military and other government officials. The report calls on the Kimberley Process (KP) to revoke Zimbabwe's KP certification. Although Zimbabwean officials deny the abuses, this week the MDC called for an investigation into the allegations. See: <http://www.hrw.org/en/investigation> into the allegations. See: <http://www.hrw.org/en/reports/2009/06/26/diamonds-rough-0>.

¶5. ...As KP Visit Begins... A delegation from the Kimberley Process is in Zimbabwe this week to examine Zimbabwe's compliance with the Kimberley Process Certification Scheme. The delegation, led by the Liberian Deputy Minister of Planning and Development

HARARE 00000554 002 OF 003

Kpandel Fayia, has met with officials from the national and local governments, traditional leaders, NGOs, and private mining executives and toured diamond mining facilities at Chiadzwa.

¶6. Bennett Trial Set for October... Senior MDC-T official and Deputy Agriculture Minister-Designate Roy Bennett appeared in court for a routine hearing on July 1. Prosecutor Michael Mugabe set October 13 as the trial date for Bennett to face charges of terrorism, banditry, and illegally possessing firearms.

¶7. No UZ Grads in 2009? Zimbabwe's flagship public university, the University of Zimbabwe (UZ), will not be graduating any students in 2009. Except for a few weeks in February, UZ has not opened for undergraduate studies this year, citing lack of water and sanitation. However, a protracted political and policy battle between Vice Chancellor Nyagura and Minister of Higher Education Mudenge over the lack of a UZ budget or mechanism to pay the faculty is a primary reason the UZ's doors remain closed. For an overview of education in Zimbabwe, see a new report by the Institute for Democracy in Africa: http://www.idasa.org.za/index.asp?page=output_details.asp%3FRID%3D1839%26OTID%3D2%26PID%3D54.

¶8. The End of School Fees? In a policy reversal this week, Minister of Education Coltart announced that the government will waive schools fees for all primary and secondary students attending government schools. Since the main expense for parents remains school-determined levies as opposed to the centralized school fees, it remains unclear how this policy will affect students' ability to attend school and whether it will equally apply to students attending low-density, high-density and rural schools.

¶9. Senator Offers \$30 Child Support... Murehwa Senator Tendai Makunde (ZANU-PF) appeared in a civil court case this week brought by a 20-year-old woman seeking financial maintenance for their four-year-old child. According to local press reports, Makunde (in his 60s) fathered the child with Cynthia Mateyu when she was just ¶16. Although Makunde initially offered Mateyu \$30, the presiding magistrate ordered him to pay \$350 per month, noting that Makunde also owns a farm and earns more than his \$100 senatorial allowance. During the hearing, Mateyu told the court that Makunde had "too many girlfriends."

¶10. MP Mudiwa Sentenced to Seven Years... Mutare West MP Shua Mudiwa was ordered to spend four and a half years in prison for allegedly kidnapping a 12-year-old girl in late 2007; two and a half years of his seven-year sentence were suspended. Mudiwa remains in jail pending appeal. Mudiwa is the MP for the area that includes the Chiadzwa diamond fields. See Harare 522.

¶11. Expand VOA? Not Yet... Representatives from the Broadcast Board of Governors (BBG) visited Zimbabwe and met with numerous officials, although they were rebuffed by Minister of Information Webster Shamu. ZANU-PF figures including Shamu continue to criticize current Voice of America programming. Accordingly, prospective license holders fear that public connections to USG programs could jeopardize their chances of getting licenses. See Harare 549.

On the Economic and Business Front

¶12. Biti to Present Mid-term Fiscal Review... Finance Minister Biti says he will present the mid-term fiscal review on July 16, 2009. The minister hinted that there will be a review of taxes; industry has expressed its desire to see a simplification of the process of issuing export permits and a review of the timeframe for remitting value added taxes from mid-month to end of month in order to improve market liquidity.

HARARE 00000554 003 OF 003

¶13. Crops Shortfalls Projected... Based on several crop projections, 1.4 million people to 2.8 million Zimbabweans will require food assistance during the 2009/10 consumption period. See Harare 530.

¶14. Recovery Threatened by High Wage Demands... Although manufacturing firms want to reinstate efficiency in operations, worker demands for higher wages is becoming a critical challenge. The hyperinflationary mindset remains among workers despite price stability brought about by dollarization. See Harare 531.

¶15. Wheat Farmers Allocated Electricity... The Zimbabwe Electricity Supply Authority (ZESA) has allocated 300 mega watts to this year's wheat growers to enable them to irrigate their crops without interruptions caused by power cuts. Farmers will pay a tariff of 7.53 US cents per kilowatt which will enable both farmers and ZESA to remain viable.

¶16. Olivine Receives Soya from China... China donated 4,000 tons of soya bean seed worth US\$500,000 to Zimbabwe which will be processed by Olivine Industries. The managing director of Olivine Industries said the donation, which is equivalent to a month's supply of seed to the company, will yield 500 tons of oil, or half the national requirement per month.

¶17. Government Secures US\$60 Million For Tobacco... Government secured US\$60 million from the African Export-Import (Afrexim) Bank to boost tobacco production. Finance Minister Tendai Biti said the amount will be disbursed through a consortium of local banks. However, the Zimbabwe Tobacco Association says the industry requires US\$120 million to increase output from the expected 42 million kgs in 2009 to 75 million kgs in 2010.

Quotes of the Week

¶18. "It is time that for Christ's sake toxicity and insanity are removed from the GPA." -- Deputy Prime Minister Thokozani Khupe, explaining the MDC boycott of parliament on June 29, 2009.

¶19. "The new government could generate significant amounts of revenue from the diamonds, perhaps as much as US\$200 million per month, if Marange and other mining centers were managed in a

transparent and accountable manner. This revenue could fund a significant portion of the new government's economic recovery program, which would benefit ordinary villagers like the residents of Marange." -- Human Rights Watch Report, "Diamonds in the Rough: Human Rights Abuses in the Marange Diamond Fields of Zimbabwe" June 26, 2009.

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